

## SENATE BILL NO. 414

INTRODUCED BY K. GILLAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING SCHOOL DISTRICTS TO PROVIDE A RETIREMENT INCENTIVE TO ELIGIBLE EMPLOYEES; PROVIDING A WINDOW OF ELIGIBILITY; SPECIFYING PROVISIONS GOVERNING THE INCENTIVE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Retirement incentive program -- window of eligibility -- use of funds.**

(1) A school district employee who is an active member of the teachers' retirement system or public employees' retirement system is eligible for the retirement incentive provided in subsection (2) if:

(a) the employee is employed by a school district that elects, as provided in subsection (3), to provide the incentive;

(b) the employee is eligible or would have been eligible for normal service retirement under 19-3-901 or 19-20-801 or early retirement under 19-3-906 or 19-20-802 if the employee's employment had not been voluntarily or involuntarily terminated within the window of eligibility established pursuant to subsection (3); and

(c) the employee:

(i) voluntarily terminates employment on or after the date established by the school district's board of trustees pursuant to subsection (3) but before June 30, 2006; or

(ii) is involuntarily terminated from service because of a reduction in force on or after the date established by the school district's board of trustees pursuant to subsection (3) but before June 30, 2006.

(2) The retirement incentive provided to an employee eligible under subsection (1) may be payment of an amount up to two times the employee and employer annual contribution to the employee's retirement system at the time of retirement.

(3) A school district's board of trustees may elect to have the school district participate in the retirement incentive program provided for in this section by passing a resolution on or before June 1, 2006. The resolution must state the terms of the retirement incentive to be provided under this section, the start date for the window of eligibility established pursuant to this section, the group or class of employee that will be offered the incentive,

1 and any deadlines by which an employee shall apply for the incentive.

2 (4) If, within 5 years of the employee's termination and receipt of the retirement incentive pursuant to  
3 this section, the employee returns to active employment with the same school district in a position covered by  
4 the retirement system to which the employee belonged when the employee received the incentive, the employee  
5 shall refund to the school district the amount of the retirement incentive paid by the school district to the  
6 employee, plus regular interest at a rate established by the board of trustees.

7 (5) To fund the retirement incentive provided for in this section, a school district's board of trustees may  
8 use existing reserves within the school district's retirement fund or any other available funds that may be used  
9 by law.

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11 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an  
12 integral part of Title 20, and the provisions of Title 20 apply to [section 1].

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14 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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